



SARS operations and eFiling

SAIT Webinar
9 March 2023

YOUR KEY TO THE TAX COMMUNITY

Anchors:

- **Yolisa Dyasi- (Tax Technical Consultant at SAIT)**
Yolisa is the Tax Technical Consultant at SAIT. She is responsible for management of the SAIT Tax Technical Helpline, SARS escalations and SARS operational submissions.

- **Cecile Bothe – (Consultant at SAIT)**

Cecile Bothe is Consulting to SAIT (ex SARS) with 44 years of experience at SARS. Specialises in Income Tax, Provisional tax, Deceased and insolvent estates, Donations Tax and Estate duty.

Guest

- André Bothma

The Founder and CEO of Tax Maverick and has almost 15 years' experience in the tax and accounting industry, with a keen focus on consulting and tax planning.

Has built a social media following of over 55k through tax education, where he educates ordinary South Africans about taxes.

Agenda:

This session will contain a brief overview of SARS Operations, reporting and eFiling including the following aspects:

- ❖ General SARS Ops updates
 - ✓ Important filing, payment and/or reporting dates
 - ✓ Current challenges in the SARS operational space
 - ✓ New procedures, systems and SARS implementations
 - ✓ Relevant legislative interpretation and new legislation and/or regulation
- ❖ Expert Corner; and
- ❖ Question and Answer Session



Important filing, payment and/or reporting dates

Important filing, payment and/or reporting dates

Value-Added Tax	24/03/2023	Manual VAT201 submissions and payments
Value-Added Tax	31/03/2023	Electronic VAT201 submissions and payments
All Tax Types	31/03/2023	End of the SARS 2022/2023 financial year
Employment Taxes	*01/04/2023	Start of the annual employer EMP501 reconciliation submissions
Other	*01/04/2023	Start of the annual third-party submissions period in the TEST environment
Employment Taxes	07/04/2023	EMP201 submissions and payments

*Based on the 2022 dates communicated: Firm dates will be communicated as and when SARS releases them.



Current challenges in the SARS operational space

Administrative and system challenges

- Third-party data required but not submitted / not pulling through and preventing the submission of the tax return and resulting in a non-compliant tax status
 - e.g. zero-tax transfers between retirement funds not being reported, and amended IRP5 tax certificates not pulling through.
- Administrative penalties raised –
 - On deceased taxpayers in instances where they were below the annual threshold;
 - On individual taxpayers despite the tax return having been submitted; and
 - On an individual taxpayer prematurely even though they are in fact a provisional taxpayer.

SARS communication at inappropriate times

- These would include weekends, as well as early mornings and late evenings.
- Previously raised with SARS in 2022 and re-evaluation was done and complaints ceased.
- Started again in February 2023.
- Matter will be raised with SARS at the upcoming SARS National Operational meeting scheduled for 16 March 2023.

New procedures, systems and SARS implementations

Trade Testing – Trusts [IT3(t)]

- Testing will commence in May 2023 and entities will be able to submit IT3(t) data via one of the following channels:
 - eFiling – limited to 20 entries
 - HTTPS – for 50k lines to 10MB
 - Connect direct – for larger files
- Smaller entities would be able to make use of eFiling and will submit the data in form format.

Relevant legislative interpretation and new legislation and/or regulation

Matters affecting the tax practice management

Government has released the following Government Gazette notices

GG and Notice Numbers	Description	Implementation date
CG 48104 Notice 3082	Notice published in terms of section 18A(2)(a)(vii) prescribing the further information that must be contained in a receipt issued in terms of section 18A(2)(a) of the Act.	1 March 2023

Matters affecting the tax practice management

Government has released the following Notices that will soon be published in the Government Gazette*

Notice	Description	Implementation date
Notice	Fixing of rate per kilometre in respect of motor vehicles – section 8(1)(b)(ii) and (iii)	1 March 2023
Notice	Determination of the daily amount in respect of meals and incidental costs for purposes of section 8(1)(c)(ii) (overnight allowance)	
Notice	Determination of the daily amount in respect of meals and incidental costs for purposes of section 8(1)(a)(ii) (daily allowance)	

Expert Corner

Debt Management Navigating your tax debt

Steps by SARS

- Final Demands
- Third Party Appointment
- Civil Judgement against the taxpayer
- Writs of Execution

Final Demand

INCOME TAX

ITA34

Notice of Assessment

Enquiries should be addressed to SARS:

Contact Centre

ALBERTON

1528

Tel: 0800007277

Website: www.sars.gov.za

Details

Reference number:

Document number: **11**

Date of assessment: **2022-07-02**

Year of assessment: **2022**

Type of assessment: **Original Estimate Assessment**

Period (days): **365**

Payment Due date: **2022-08-01**

Interest free period/

Grace period until:

PRN Number

T00000000

Always quote this
reference number
when contacting
SARS

Dear Taxpayer

DEBT MANAGEMENT - FINAL DEMAND

Registration Name:

ID / CK / Co reg. / Trust No:

According to the records of the South African Revenue Service (SARS) you have failed to pay your tax debt for one or more tax year(s) and/or tax period(s).

Overdue Amount : R76439.96 / latest account statement balance.

You are requested to make full payment within 10 business days from the date of this letter of demand.

You may within 10 business days from the date of this letter of demand apply for any of the following remedies:

- Payment in instalments where you are unable to pay the full amount.
- Suspension of the debt where you intend to submit or have submitted a formal dispute.
- Compromise of a portion of the tax where this will provide a higher return to the fiscus than liquidation, sequestration, or other collection measures.

Failure to make full payment or use the above remedies may result in the following actions and possibly others:

- SARS may appoint any third party who presently or in the future will owe you money or hold money for you to settle your tax debt with this money.
- A civil judgement being entered against you in which case a warrant of execution may be issued for the Sheriff of the Court to attach and sell your assets.

In addition to the above remedies and in anticipation that SARS may appoint a third party as set out above, you may within 5 business days from the date of receipt of this letter of demand, apply to SARS for the following:

- If you are a natural person, you may apply for a reduction of the amount to be paid to SARS based on you and your dependants basic living expenses.

Third Party Appointments

If a taxpayer has outstanding tax debts (this includes penalties), the Tax Administration Act empowers the Commissioner of SARS to appoint a third party to recover money held by third parties on behalf of the taxpayer or owed by the third party to the taxpayer.

- Banks
- Employers
- Funds
- Debtors

[External Guide – Third Party Appointments via eFiling](#)

Civil Judgement against the taxpayer



- If a person has an outstanding tax debt, SARS may, after giving the person at least **10 business days' notice**, file with a competent court a certified statement setting out the amount of tax payable and certified by SARS as correct.
- SARS may file the statement irrespective of whether or not the tax debt is subject to an objection or appeal.
- SARS is not required to give the taxpayer prior notice **IF** SARS is satisfied that giving notice would prejudice the collection of the tax.

Writs of Execution

What is a warrant of execution?

A warrant of execution is a document under the hand of the clerk of the Magistrate's Court or the registrar of the Supreme Court and addressed to the sheriff authorising and requiring him to raise on the property of the judgment debtor an amount sufficient to satisfy the judgment debt, cost, and the cost of the sheriff.

Movable property	Immovable property
Refers to things that can be moved.	Refers to things that are fixed or cannot be moved.
Examples include jewellery, watches, computers, money, etc.	Examples include real estate, trees or plants attached to the earth, etc.

Steps by the taxpayer

- Suspension of payment
- Deferral payment arrangement
- Debt compromise

Suspension of payment

A taxpayer may request SARS to suspend the payment of tax or a portion thereof due under an assessment if the taxpayer intends to dispute or disputes the liability to pay that tax.

Factors to be considered include:

- (a) Whether the recovery of the disputed tax will be in jeopardy or there will be a risk of dissipation of assets;
- (b) The compliance history of the taxpayer with SARS;
- (c) Whether fraud is *prima facie* involved in the origin of the dispute;
- (d) Whether payment will result in irreparable hardship to the taxpayer not justified by the prejudice to SARS or the *fiscus* if the disputed tax is not paid or recovered; or
- (e) Whether the taxpayer has tendered adequate security for the payment of the disputed tax and accepting it is in the interest of SARS or the *fiscus*.

Deferral payment arrangement

SARS may enter into an agreement with a taxpayer in the prescribed form under which the taxpayer is allowed to pay a tax debt in one sum or in instalments, within the agreed period.

Considerations include:

- (a) the taxpayer suffers from a deficiency of assets or liquidity which is reasonably certain to be remedied in the future;
- (b) the taxpayer anticipates income or other receipts which can be used to satisfy the tax debt;
- (c) prospects of immediate collection activity are poor or uneconomical but are likely to improve in the future;
- (d) collection activity would be harsh in the particular case and the deferral or instalment agreement is unlikely to prejudice tax collection; or
- (e) the taxpayer provides the security as may be required by the official.

Debt compromise

SARS may authorise the 'compromise' of a portion of a tax debt if:

1. The 'compromise' will secure the highest net return from the recovery of the tax debt; and
2. the 'compromise' is consistent with considerations of good management of the tax system and administrative efficiency.



Debt compromise

Considerations include:

- (a) the assets and liabilities at their current fair market value;
- (b) Income received expenditure incurred during the last 12 months
- (c) the assets which have been disposed of in the last three years,
- (d) the 'debtor's' future interests in any assets,
- (e) the assets over which the 'debtor', either alone or with other persons, has a direct or indirect power of appointment or disposal
- (f) details of any connected person in relation to that 'debtor';
- (g) the 'debtor's' present sources and level of income and the anticipated sources and level of income for the next three years,
- (h) the 'debtor's' reasons for seeking a 'compromise'.

Questions and Answers

Background

In 2021 Financial Year I had a client who entered into a Debt Compromise with SARS. The client signed an agreement and paid off the debt within a prescribed time without default, however, the client had outstanding returns that they did not declare during the period they were paying off the compromise.

After the prescribed debt was paid off, the client still had outstanding returns and the debt that was current at the time they entered into that compromise had become historical in 6 months which was the period they had to pay off the debt compromise.

Now, we have a situation where the client has a new case manager (SARS) who is not aware of the Compromise agreement that the client had (I got this from the email that the new case manager sent to me early this year), we have the contract that the client signed as well as proof of payments and the references which we were using when we were paying the debt. Now we need to close off that matter and we are unable to do so.

Question

What can be done to get SARS to acknowledge the debt compromise and settle of the prior tax debt?

- T Moloi



Questions from the floor



Thank you